

SECRET

REPORT NO.

CD NO.

DATE DISTR. 26 June 1953

NO. OF PAGES 3

25X1

NO. OF ENCLS.
(LISTED BELOW)

SUPPLEMENT TO
REPORT NO.

THIS IS UNEVALUATED INFORMATION

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1. Attachment "A" is translation of the new standard contract form which the China National Import and Export Corporation, 13 Tung Chiao Ming Hsiang, PEKING, China, has drawn up for use by sales representatives calling on the organization in East Berlin.
2. Contracts are negotiated in Berlin by the China Export A.G., Leipzigerstr. 112, Berlin on behalf of the CNIEC. One time deals can be negotiated directly with the CNIEC, Johannishof Hotel, East Berlin.
3. Principal objections of West German business firms to the form are to paragraphs 14, which states that certificate of quality and weight issued by the Chinese Inspection and Testing Bureau of Commodities at the port of shipment shall be final, and to paragraph 20, which sets forth the conditions of arbitration.

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SALES CONTRACT

This contract is made this day of 1953 by and between the CHINA NATIONAL IMPORT & EXPORT CORPORATION at 13, Tung Chiao King Hsiang, PEKING, China (cable address: CHINESE PEKING), hereinafter called the Sellers, and Messrs. (cable address:), hereinafter called the Buyers; whereby the Sellers agree to sell and the Buyers agree to buy the following commodities subject to the terms and conditions stipulated below:

1. Name of Commodity:
2. Specification & Assortment:
3. Country of Origin: People's Republic of China.
4. Quantity:
5. Unit Price:
6. Total Value:
7. Packing:
8. Time of Shipment:
9. Port of Shipment:
10. Port of Destination:
11. Shipping Mark:
12. Terms of Payment: Within seven days after signing of this contract Buyers shall open with the Bank at an irrevocable and confirmed Letter of Credit in (currency) for the amount of with a tolerance of 5% more or less, advised through the Bank of China, Peking, in favor of the Sellers and/or their branches, payable by telegraphic reimbursement against presentation of such documents as stipulated in Article 13 to the Bank of China at the port of shipment. The Letter of Credit shall expire 60 days after the day of opening. Partial shipment and transshipment are allowed.
13. Documents: One full set of documents comprising 3 original negotiable clean on board bills of lading, invoices in triplicate, weight notes in triplicate, and certificate of quality and weight issued by the Chinese Inspection and Testing Bureau of Commodities shall be presented to the bank at the port of shipment for payment. One set of documents comprising two non-negotiable bills of lading and other documents in duplicate shall be forwarded direct to Buyers immediately after ship's departure.
14. Quality and Weight: It is mutually agreed that the certificate of quality and weight issued by the Chinese Inspection and Testing Bureau of Commodities at the port of shipment shall be final and binding upon both parties.
15. Tolerance or Shortage in Delivery: Any excess or shortage in delivery not exceeding 5% of the contracted quantity is allowed and shall be settled at the contract price.
16. Shipping: shall attend to shipping.
17. Advice of Shipment: Immediately after the departure of the ship the Sellers shall cable to notify the Buyers the contract number, name of goods, their quantity and/or weight, invoice value, name of vessel, port of shipment and sailing date so as to enable the Buyers to arrange for the insurance on the goods in time.
18. Force Majeure: The Sellers shall not be responsible for non-delivery or late delivery of the goods due to accidents beyond their control. However the Sellers shall deliver to the Buyers documentary evidence of the accidents.

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Attachment "A"

19. License: The Buyers failure to obtain the import license of the goods shall not exempt them from the liability of non-performance of this contract, and in such case the Buyers shall make compensation to the Sellers for loss and/or damage sustained.
20. Arbitration: Should there be any disputes between the contracting parties and no agreement thereupon could be amicably reached, they shall be settled by arbitration. Each Party shall appoint an arbitrator. The two arbitrators thus appointed shall select a third person as chairman to form an arbitration committee. The decision given by the arbitration committee shall be final and binding upon both parties.
The arbitration proceedings shall take place in Berlin, GDR.

In witness thereof, this contract is signed by both parties in Berlin on the day, month and year first above mentioned with two originals and six duplicates. One original and five duplicates are to be held by the Sellers, and the remaining copies are to be held by the Buyers.

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